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Two Faces of Third World Debt

THE EDITORS

On Grenada

FIDEL CASTRO

Marx on India

SUNITI KUMAR GHOSH

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NOTES FROM THE EDITORS

We are reprinting in this issue Fidel Castro's speech of November 14th regarding the events in Grenada in October followed by the U.S. invasion of the island. The speech has been published elsewhere in this country—in a paid advertisement in *The New York Times* and in a special supplement to *Cuba Update* (a publication of the Center for Cuban Studies in New York)—but many MR readers both in the United States and abroad will undoubtedly not have had a chance to read it. We believe that its widest possible dissemination is important. It is the only well informed account we have seen of the deplorable debacle which overtook the Grenadian revolution and provided the much-needed pretext for the U.S. invasion. But beyond that it is a significant document in its own right. It is an example of what is indeed a rare event, a government telling the truth about an historic episode in which it was itself involved. We congratulate Fidel on an exemplary performance and commend it to all our readers.

As 1983 draws to a close, we are able to report to readers that MR's finances, while still far from satisfactory, are somewhat improved over the

(*Continued on inside back cover*)

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THE TWO FACES OF THIRD WORLD DEBT:
A Fragile Financial Environment and Debt Enslavement

> Falstaff: "I can get no remedy against the consumption of the purse: borrowing only lingers and lingers it out, but the disease is incurable."
>
> *King Henry IV, Part II*

The tremors that shook the financial world during 1982 and most of 1983 have for the time being subsided. But the ensuing calm is an uneasy one: clearly, the crisis has merely been postponed to another day.

The sense of panic among the financiers and governments of the leading capitalist nations is not the product of idle rumors or vague fears. It has been obvious for some time that the vast expansion of third world debt would sooner or later create serious problems for the international bankers. But the outsize profits to be made in the third world have been too tempting to be resisted by even the most prudent of bankers. The chickens began to come home to roost in 1982. In that year, 22 countries were forced to negotiate debt rescheduling because they could not meet their contractual payments. And it is evident that the fat was indeed in the fire when the three largest third world debtors—Mexico, Brazil, and Argentina—let it be known that they did not have the foreign exchange to pay interest and amortization due on their loans.

A default by one or a combination of these countries, as will be shown below, could lead to the bankruptcy of some of the biggest U.S. banks. Default was avoided because of prompt and energetic rescue measures taken by the U.S. government, by central bankers, and by the Bank for International Settlements, the IMF, and the World Bank. One thing, however,

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needs to be clearly understood about these heroic efforts in the heartland of finance: it was the banks that were rescued, not Mexico, Brazil, Argentina, and the other potential defaulters. As a matter of fact, an essential feature of the whole rescue operation consisted of pushing the affected third world countries further down the road of debt enslavement, with a consequent imposition of severe economic contraction and a decline in the already miserable living standards of the masses. Neither was the financial system of the imperialist countries strengthened: a crucial aspect of the rescue operation was a continued increase in third world debt and with it enhanced vulnerability of the international banks. On the other hand, the bankers have done well for themselves, at least for the time being. Not only was their skin saved, but they have managed to use the crisis to squeeze even more profits out of the third world.

Underlying all this is the simple fact that debt, like drugs, is addictive. The more you borrow, the more you need to borrow. A simple arithmetic example (Table 1) explains the logic

Table 1. Net capital flow if $1,000 is borrowed each year: loan to be repaid in 20 years with 10 percent interest

	New borrowing	*Debt service on accumulated debt*			*Net proceeds (1) – (4)*
Year		*Interest*	*Amortization*	*Total*	
	(1)	*(2)*	*(3)*	*(4)*	*(5)*
1st	$1,000	$100	$50	$150	$850
2nd	1,000	200	100	300	700
3rd	1,000	285	150	435	565
5th	1,000	450	250	700	300
6th	1,000	525	300	825	175
7th	1,000	595	350	945	55
8th	1,000	660	400	1,060	– 60
10th	1,000	775	500	1,275	–125

of the process. We assume that a country obtains each year a foreign loan of $1,000, to be repaid in equal installments over 20 years plus 10 percent interest on the outstanding balance. The net result is shown in the last column. The amount left over after paying the accumulated debt service (return of principal plus interest) gets smaller and smaller each year. By the

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fifth year, $700 of the new loan is needed just to keep up service payments on the mounting debt. And by the eighth year, borrowing of $1,000 is insufficient to meet obligations on the past debt. Thus if a country's development strategy were to call for a net annual inflow of $1,000 of foreign money, an *increase* in the rate of borrowing would be needed. In other words, a *growing* volume of external debt would become a way of life. Moreover, even if the country wanted to abandon reliance on debt, it would be hard put to do so. For unless it had other means of obtaining foreign exchange (say, an expanding excess of exports over imports), it would still need to keep on borrowing. As shown in the example, in the eighth year $1,060 and in the tenth year $1,125 would have to be borrowed just to meet debt service obligations. And if in the meantime the interest rate on new debt should increase or exports should decline, still more borrowing would be called for.

The foregoing is of course a highly simplified example, but it isn't all that far removed from third world reality. Table 2

Table 2. Debt Service on External Debt of Underdeveloped Countries

Year	*New borrowing* (1)	*Debt service* (2)	*Net proceeds* (1) − (2)	*Debt service as a percent of new borrowing* $\frac{(2)}{(1)} \times 100$
	Billions of dollars			
1972	21.3	12.0	9.3	56.3%
1974	36.7	19.8	16.9	54.0
1976	49.9	26.1	23.8	52.3
1977	61.5	33.1	28.4	53.8
1978	80.7	47.9	32.8	59.4
1979	94.2	62.3	31.9	66.1
1980	94.9	70.4	24.5	74.2
1981	110.0	82.8	27.2	75.3

Source: The World Bank, *World Debt Tables, First Supplement,* May 1983.

shows what has actually been happening to the debt of the third world. As can be seen in the last column, over 56 percent of the new debt undertaken in 1972 by the underdeveloped countries as a whole was needed just to meet debt service obligations. By

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1981 this figure climbed to 75 percent. Now look at the third column of the table, which shows what was left over from new borrowings after payment of debt service. The net proceeds did increase from 1972 to 1978, but that was because in contrast with our hypothetical example, new borrowing grew rapidly from year to year. And after 1978 the amount left over after payment of debt service *declined* each year, even though the amount newly borrowed kept on increasing.

There were three special reasons for this decline in net proceeds, each of which contributed to bringing the third world debt problem to the critical juncture of 1981-82. First, interest rates on new debt jumped substantially. Second, a larger portion of the new debt was short-term, with a consequent increase in annual amortization payments. And third, the banks, anticipating the approaching perils, began to slow down their lending.

The nature of the financial dependency of the periphery on the core extends beyond the issue of debt. This can be seen clearly from the data on the aggregate balance of payments of all Latin American countries (except Cuba). Table 3 summarizes the multitude of foreign transactions by Latin Ameri-

Table 3. Balance of Payments on Current Account: Latin America (except Cuba)

	1976	*1977*	*1978*	*1979*	*1980*	*1981*
	Billions of dollars					
Merchandise trade (exports-imports)	− 1.9	− 0.1	− 3.2	+0.2	− 1.3	− 2.1
Net payments to foreign capital	− 9.5	−11.2	−13.5	−17.4	−22.5	−31.5
Freight & insurance	− 2.3	− 2.8	− 2.9	− 3.1	− 3.9	− 4.1
Dividends, interest, royalties, etc.	− 7.2	− 8.4	−10.6	−14.3	−18.6	−27.4
All other transactions on current account	+0.3	− 0.2	− 1.3	− 2.1	− 3.2	− 5.2
Balance on current account	−11.1	−11.5	−18.0	−19.3	−27.0	−38.8

Source: Inter-American Development Bank, *Economic and Social Progress in Latin America, 1983 Report.*

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can countries, other than capital movements (foreign investment, net new debt), in three categories: merchandise trade (exports minus imports); payments to foreign capital; and all other (a miscellany of services, such as tourism, and transfer of funds by migrant labor, missionaries, etc.) The table goes back only to 1976, but the situation it depicts is much older. The persistent deficit in the current balance of payments in Latin America and elsewhere in the third world has been chronic for decades. And the reason, obviously, is the tribute exacted by foreign capital. During the six years shown here, on the average 85 percent of the deficit was accounted for by the need for foreign exchange to pay shippers and insurance companies; dividends, royalties, etc. to multinational corporations and other foreign capitalists; and interest to international bankers.

These huge deficits on current account defines the bind in which Latin American and other third world countries find themselves. Obligations of this kind cannot be ignored or put off to another day. If they are not met promptly, trade will collapse; imports needed to feed the people and keep the wheels of industry turning will dry up. As long as their economies remain wrapped up in the imperialist network, they must obtain the foreign exchange needed to cover the deficits by attracting investment from multinational corporations and by borrowing from foreign banks. But that path leads to even greater deficits. Multinationals invest in order to obtain still more profits, and bankers demand interest. As a result, as we have seen, the deficits kept on growing until a critical point was reached, i.e., the point when the funds obtainable from foreign bankers began to dry up.

This was when the U.S. treasury and the international financial agencies (IMF, Bank for International Settlements, World Bank) jumped into the breach, supplying quick money to avoid immediate defaults and helping to arrange stretched-out schedules for repayment of principal. These stopgap measures provided what the international bankers needed: part of the risk was shifted to the public; and the international agencies applied strong-arm pressure to force potentially defaulting nations to adopt policies of reducing imports and restricting mass consumption. This in turn generated a climate in which the

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banks were once again prepared to resume their lending operations.

Characteristically, the international bankers made the most of their improved prospects. They collected handsome fees for renegotiating old loans and raised the interest charges on renegotiated and new loans. This contrasts strikingly with their practice when faced with near-bankrupt corporations. In such cases, the banks generally make concessions by reducing interest rates below prevailing market rates. This they consider prudent since what they fear most is that the troubled firms will actually fold up and their debt will be uncollectible. Governments, on the other hand do not become bankrupt, so why not squeeze out still more profits while the getting is good?

The point of view of the bankers was clearly stated by Willard Butcher, chairman of Chase Manhattan, when Mexico's inability to pay shook the markets:

> Mexico owes $85 billion. Is Mexico worth $85 billion? Of course it is. It has oil exports of $15 to $20 billion. It has gold, silver, copper. Has all that disappeared over the past week? I expect to be repaid my Mexican debt. (*Euromoney,* October 1982, p. 19)

But how to make sure that the benefit of those resources will accrue to the bankers and not to the Mexicans and other third world peoples? That is where the international agencies come in. They are the ones who coordinate the programs, oversee the domestic policies, and keep the debtors in line to protect the interests of the bankers. The following from the *New York Times* (September 19, 1983) sums it up:

> "The IMF is certainly running the show for the sovereign debtors," said Penelope Hartland-Thunberg, senior fellow at the Georgetown Center for Strategic and International Studies.
>
> C. Fred Bergsten, director of the Institute for International Economics, called the peripatetic teams of [World Bank] and [IMF] officials "the new proconsuls," alluding to the governors of the Roman Empire, saying that they represent the world's "increasingly centralized economic management."

The real question is, economic management for what purpose? It is obviously not to help third world countries restruc-

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ture their societies to become more self-reliant, to raise their living standards, and to free themselves from debt slavery. On the contrary, the aim is to keep the imperialist system as now constituted going as long as possible. And that means, in turn, protecting the profits of the banks and the multinationals and maintaining an environment in which these profits can grow still further. To accomplish this the IMF has been imposing its standard prescription, except that the requirements have become more extreme in keeping with the severity of the crisis: devaluation of currencies, liberalization of trade, and reduction of public spending.

Devaluations, however, do not help promote the better utilization of resources needed to escape the debt trap. This is due to the inflexible and backward production structures of the underdeveloped countries. By raising the cost of imports, devaluations make it more difficult to overcome the bottlenecks and rigidities that constrain productive capacity. At the same time they add to inflationary pressures that worsen the unequal distribution of income and reduce internal markets. Trade liberalization weakens local industry and opens the gates wider for entry of the multinationals. Finally, the reduction in public spending means primarily drastic cuts in health, education, and welfare spending. Neither the international agencies nor the domestic ruling classes want government budgets to be reduced by limiting spending on the military and police, for these are more than ever needed to control the unemployed and hungry masses. The overall impact of the imposed discipline is seen in the results in Latin America: real income per capita has declined in each of the last three years. It can also be seen in the food riots which have recently been reported in the cities of Brazil.

The dilemma facing the international enforcers of "sound finance" is how far the third world countries can be squeezed without provoking social revolutions that will end up in opting out of the imperialist network and possible debt repudiation. But even if such social upheavals can be avoided and enforced depressions should succeed for a time in reducing the balance-of-payments deficits in many third world countries, this will still

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be a long way from a solution to the crisis. New debt will need to be created to finance even the smaller deficits; and as the total debt keeps piling up, the payment burdens of the debtors will keep on increasing, requiring still more borrowing.

Even at best, therefore, there is no end in sight of the need for continuing third world borrowing. And this raises the question: How much longer can the banks go on supplying the ever-expanding credit to meet this demand? For even though

Table 4. Third World Debt Exposure of the Nine Largest U.S. Banks

	Loans extended ($ billions)	*Loans as a percent of banks' capital*
OPEC Members	16.2	71.2
Venezuela	7.1	31.4
Indonesia	1.9	8.4
Saudi Arabia	1.7	7.5
Non-OPEC South American Countries	40.7	178.6
Mexico	13.6	59.8
Brazil	12.3	54.2
Argentina	5.6	24.6
Non-OPEC Asian Countries	17.3	75.9
South Korea	5.1	22.3
Philippines	3.7	16.1
Taiwan	2.7	11.6
Non-OPEC African Countries	3.6	15.7
Total of all underdeveloped countries	77.7	341.4%

Source: Hearing Before the Committee on Banking, Finance, and Urban Affairs, House of Representatives, *International Financial Markets and Related Matters,* Serial No. 97-99, p. 54.

NOTE: The above data are as of June 1982. The nine largest banks and their capital in $ billions—Bank of America (4.1); Citibank (5.1); Chase Manhattan (3.2); Manufacturers Hanover (2.0); Morgan Guaranty (2.3); Continental Illinois (1.8); Chemical Bank (1.6); Bankers Trust (1.4); 1st National Bank of Chicago (1.2). Their total capital is $22.8 billion. Capital consists of the sum of a bank's preferred stock, common stock, surplus, undivided profits, and reserves for contingencies and other capital reserves.

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the banks earn hefty profits from their third world involvement (in 1982, 20 percent of Citibank's profits came from Brazil alone), they too are coming up against limits. That can be seen in Table 4. The first column presents the volume of third world loans on the books of the nine largest banks in the United States, as of June 1982. It shows that $77.7 billion of deposits in these banks have been loaned to underdeveloped countries. Now when a bank lends out depositors' money it naturally assumes that the loans will be repaid and that the depositors can therefore have their money back whenever they want it. In the normal course of events some loans will of course go sour, and for this reason contingency reserves are set up. If worse comes to worst, i.e., if contingency reserves prove insufficient, the banks have to dip into accumulated capital to satisfy their depositors. In order to evaluate the exposure of the large banks to third world debt, the loans to these countries need to be expressed as a percentage of the banks' capital (including contingency reserves) as shown in the second column. There we can see, for example, that if Mexico should default on its loans, or declare a unilateral moratorium, almost 60 percent of the capital of the nine banks would be used up to keep the banks in operation. Furthermore, if both Mexico and Brazil should default, the nine banks could be forced out of business, since over 100 percent of their capital would be needed to keep going (at which time a run on the banks would be a distinct possibility). Loans to South American countries (including Venezuela) account for 210 percent of the banks' capital, and loans to the third world as a whole account for over 340 percent.

This is, to be sure, a worst-case scenario. Even such major defaults would not force the banks to close, if the Federal Reserve acted promptly as a lender of last resort to keep them afloat. If the past is a reliable guide, it is reasonable to assume that the Fed would indeed act accordingly. But that is only an assumption, as is the eventuality of default by one or more debtors. Under the circumstances, it is no wonder that fear struck the heart of the financial world when the 1981-82 crisis matured and the number of countries unable to meet their service payments grew. And it is against this background of

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fear that the banks have become increasingly cautious about extending new loans.

Yet lend they must, for otherwise the debtors would not be able to keep up their contractual payments. The banks count on the IMF as the pillar of the whole system. But the IMF has no solutions either. All it can accomplish is to discipline the debtors and supply short-term funds in dire emergencies. Part of the IMF program is to get the third world countries to import less and export more. Leaving aside the fact that many of them have to import in order to have the supplies to manufacture exports, how can this be a way out if everyone is at the same time reducing imports while trying to increase exports? The upshot of all the frantic rescue measures is hence more of the same: the third world is driven into further debt enslavement and the financial system remains as vulnerable as ever.

The wiser heads in the business community are fully aware that as things stand the problem is insoluble. The schemes they dabble with revolve around either how to get the U.S. public to pay for putting the banks on a sounder basis or how to convert the debt into increased ownership by U.S. capital of third world assets. What none of them are willing to contemplate is the idea that there is nothing sacred about either the profits or the capital of the banks. Why must the banks continue to charge more than nominal interest on the outstanding loans? Why can't the banks' capital be used to write off a portion of the loans? Why not nationalize the banks and do away with them as profit-making institutions?

Sooner or later questions like these will have to be faced and acted on. The alternative possibility is a collapse of the international financial system and with it the opening of a new chapter in the history of the world capitalist system.

(December 15, 1983)

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ON GRENADA
BY FIDEL CASTRO

Following is the text of a speech given by President Fidel Castro at the funeral of the 24 Cubans killed in Grenada. (Havana, November 14, 1983.)

Compatriots:

On October 15, 1976, a little over seven years ago, we gathered here, in this same place, to deliver a funeral address for the 57 Cubans who were vilely murdered in the Barbados plane sabotage, carried out by men who had been trained by the U.S. Central Intelligence Agency. Today we have come once again to bid farewell—this time to 24 Cubans who died in Grenada, another island not very far from Barbados, as a result of U.S. military actions.

Grenada was one of the smallest independent states in the world, both in territory and population. Even though Cuba is a small, underdeveloped country, it was able to help Grenada considerably, because our efforts—which were modest in quantity though high in quality—meant a lot for a country less than 400 square kilometers in size, with a population of just over 100,000.

For instance, the value of our contribution to Grenada in the form of materials, designs, and labor in building the new airport came to $60 million at international prices—over $500 per inhabitant. It is as if Cuba—with a population of almost 10 million—received a project worth $5 billion as a donation. In addition, there was the cooperation of our doctors, teachers, and technicians in diverse specialties, plus an annual contribution of Cuban products worth about $3 million. This meant an additional annual contribution of $40 per inhabitant. It is impossible for Cuba to render considerable material assistance to coun-

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tries with significantly large populations and territories, but we were able to offer great assistance to a country like tiny Grenada.

Many other small Caribbean nations, used to the gross economic and strategic interests of colonialism and imperialism, were amazed by Cuba's generous assistance to that fraternal people. They may have thought that Cuba's selfless action was extraordinary; in the midst of the U.S. government's dirty propaganda, some may even have found it difficult to understand.

Our people felt such deep friendship for Bishop and Grenada, and our respect for that country and its sovereignty was so irreproachable, that we never dared to express any opinions about what was being done there or how it was being done. In Grenada, we followed the same principle we apply to all revolutionary nations and movements, full respect for their policies, criteria, and decisions, expressing our views on any matter only when asked to do so. Imperialism is incapable of understanding that the secret of our excellent relations with revolutionary countries and movements in the world lies precisely in this respect.

The U.S. government looked down on Grenada and hated Bishop. It wanted to destroy Grenada's process and obliterate its example. It had even prepared military plans for invading the island—as Bishop had charged nearly two years ago—but it lacked a pretext.

Socioeconomically, Grenada was actually advancing satisfactorily. The people had received many benefits, in spite of the hostile policy of the United States, and Grenada's gross national product was growing at a good rate in the midst of the world crisis. Bishop was not an extremist; rather, he was a true revolutionary—conscientious and honest. Far from disagreeing with his intelligent and realistic policy, we fully sympathized with it, since it was rigorously adapted to his country's specific conditions and possibilities. Grenada had become a true symbol of independence and progress in the Caribbean.

No one could have foreseen the tragedy that was drawing near. Attention was focused on other parts of the world. Unfortunately, the Grenadian revolutionaries themselves unleashed the events that opened the door to imperialist aggression.

Hyenas emerged from the revolutionary ranks. Today no one can yet say whether those who used the dagger of division-

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ism and internal confrontation did so *motu proprio* or were inspired and egged on by imperialism. It is something that could have been done by the CIA—and, if somebody else was responsible, the CIA could not have done it any better. The fact is that allegedly revolutionary arguments were used, invoking the purest principles of Marxism-Leninism and charging Bishop with practicing a cult of personality and drawing away from the Leninist norms and methods of leadership. In our view, nothing could be more absurd than to attribute such tendencies to Bishop. It was impossible to imagine anyone more noble, modest, and unselfish. He could never have been guilty of being authoritarian; if he had any defect, it was his excessive tolerance and trust.

Were those who conspired against him within the Grenadian party, army, and security, by any chance, a group of extremists drunk on political theory? Were they simply a group of ambitious, opportunistic individuals, or were they enemy agents who wanted to destroy the Grenadian revolution?

History alone will have the last word, but it would not be the first time that such things occurred in a revolutionary process. In our view, Coard's group objectively destroyed the revolution and opened the door to imperialist aggression. Whatever their intentions, the brutal assassination of Bishop and his most loyal, closest comrades is a fact that can never be justified in that or any other revolution. As the October 20 statement by the Cuban Party and government put it, "no crime can be committed in the name of revolution and liberty."

In spite of his very close and affectionate links with our party's leadership, Bishop never said anything about the internal dissensions that were developing. To the contrary, in his last conversation with us he was self-critical about his work regarding attention to the armed forces and the mass organizations. Nearly all of our party and state leaders spent many friendly, fraternal hours with him on the evening of October 7, before his return trip to Grenada.

Coard's group never had such relations nor such intimacy and trust with us. Actually, we did not even know that group existed. It is to our revolution's credit that in spite of our profound indignation over Bishop's removal from office and arrest,

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we fully refrained from interfering in Grenada's internal affairs, even though our construction workers and all our other cooperation personnel in Grenada—who did not hesitate to confront the Yankee soldiers with the weapons Bishop himself had given them for their defense in case of an attack from abroad—could have been a decisive factor in those internal events. Those weapons were never meant to be used in an internal conflict in Grenada and we would never have allowed them to be so used. We would never have been willing to use them to shed a single drop of Grenadian blood.

On October 12 Bishop was removed from office by the Central Committee, in which the conspirators had attained a majority. On the 13th he was placed under house arrest. On the 19th the people took to the streets and freed Bishop. On the same day Coard's group ordered the army to fire on the people and Bishop, Whiteman, Jacqueline Creft, and other excellent revolutionary leaders were murdered.

As soon as the internal dissensions which came to light on October 12 were manifest the Yankee imperialists decided to invade.

The message sent by the leadership of the Cuban Party to Coard's group on October 15 has been made public. In it, we expressed our deep concern over both the internal and the external consequences of the split and appealed to the common sense, serenity, wisdom, and generosity of revolutionaries. This reference to generosity was an appeal not to use violence against Bishop and his followers.

This group of Coard's that seized power in Grenada expressed serious reservations toward Cuba from the very beginning because of our well-known and unquestionable friendship with Bishop.

The national and international press have published our strong denunciation of the events of October 19, the day Bishop was murdered. Our relations with Austin's short-lived government, in which Coard was really in charge, were actually cold and tense, so that, at the time of the criminal Yankee aggression there was no coordination whatsoever between the Grenadian army and the Cuban construction workers and other cooperation personnel. The basic points of the messages sent to our embassy

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in Grenada on October 12 through 25, the day on which the invasion took place, have been made public. Those documents stand in history as irrefutable proof of our clean principled position regarding Grenada.

Imperialism, however, presented the events as the coming to power of a group of hard-line communists, loyal allies of Cuba. Were they really communists? Were they really hard-liners? Could they really be loyal allies of Cuba? Or were they rather conscious or unconscious tools of Yankee imperialism? Look at the history of the revolutionary movement, and you will find more than one connection between imperialism and those who take positions that appear to be on the extreme left. Aren't Pol Pot and Ieng Sary—the ones responsible for the genocide in Kampuchea—the most loyal allies Yankee imperialism has in Southeast Asia at present? In Cuba, ever since the Grenadian crisis began, we have called Coard's group—to give it a name—the "Pol Pot group."

Our relations with the new leaders of Grenada were to be subjected to profound analysis, as was set forth in the October 20 statement by the party and government of Cuba. In it, we also stated that due to our basic regard for the Grenadian people, we would not rush to take any steps regarding technical and economic cooperation which might jeopardize the basic services and vital economic interests of the people of Grenada. We could not accept the idea of leaving the Grenadians without doctors, or leaving the airport, which was vital to the nation's economy, unfinished. Most certainly, our construction workers were to leave Grenada when that project was completed, and the weapons that Bishop had given them were to be returned to the government. It was even possible that our very bad relations with the new government would make it necessary for us to leave much earlier.

The thing that placed Cuba in a morally complex, difficult situation was the announcement that Yankee naval forces were enroute to Grenada.

Under those circumstances, we couldn't possibly leave the country. If the imperialists really intended to attack Grenada, it was our duty to stay there. To withdraw at that time would have been dishonorable and could even have triggered aggres-

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sion in that country then and in Cuba later on. In addition, events unfolded with such incredible speed that if the evacuation had been planned for, there would not have been time to carry it out.

In Grenada, however, the government was morally indefensible, and, since the party, the government, and the army had divorced themselves from the people, it was also impossible to defend the nation militarily, because a revolutionary war is only feasible and justifiable when united with the people. We could only fight, therefore, if we were directly attacked. There was no alternative.

It should nevertheless be noted that despite these adverse circumstances, a number of Grenadian soldiers died in heroic combat against the invaders.

The internal events, however, in no way justified Yankee intervention. Since when has the government of the United States become the arbiter of internal conflicts between revolutionaries in any given country? What right did Reagan have to rend his mantle over the death of Bishop, whom he so hated and opposed? What reasons could there be for his brutal violation of the sovereignty of Grenada—a small independent nation that was a respected and acknowledged member of the international community? It would be the same as if another country believed it had the right to intervene in the United States because of the repulsive assassination of Martin Luther King or so many other outrages, such as those that have been committed against the black and Hispanic minorities in the United States, or to intervene because John Kennedy was murdered.

The same may be said of the argument that the lives of 1,000 Americans were in danger. There are many times more U.S. citizens in dozens of other countries in the world. Does this, perchance, imply the right to intervene when internal conflicts arise in those countries? There are tens of thousands of Grenadians in the United States, England, and Trinidad. Could tiny Grenada intervene if domestic policy problems arose that pose some threat to its compatriots in any of those countries? Putting aside the fallacy and falseness of such pretexts for invading Grenada, is this really an international norm that can be sustained? A thousand Marxist lessons could not teach us any bet-

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ter about the dirty, perfidious, and aggressive nature of imperialism than the attack unleashed against Grenada at dawn on October 25 and its later development.

In order to justify its invasion of Grenada and its subsequent actions, the U.S. government and its spokesmen told 19 lies; Reagan personally told the first 13.

1. Cuba had something to do with the coup d'état and the death of Bishop.
2. The American students were in danger of being taken hostage.
3. The main purpose of the invasion was to protect the lives of American citizens.
4. The invasion was a multinational operation undertaken at the request of Mr. Scoon and the Eastern Caribbean Nations.
5. Cuba was planning to invade and occupy Grenada.
6. Grenada was being turned into an important Soviet-Cuban military base.
7. The airport under construction was not civilian but military.
8. The weapons in Grenada would be used to export subversion and terrorism.
9. The Cubans fired first.
10. There were over 1,000 Cubans in Grenada.
11. Most of the Cubans were not construction workers but professional soldiers.
12. The invading forces took care not to destroy civilian property or inflict civilian casualties.
13. The U.S. troops would remain in Grenada for a week.
14. Missile silos were being built in Grenada.
15. The vessel *Viet Nam Heroico* was transporting special weapons.
16. Cuba was warned of the invasion.
17. Five hundred Cubans are fighting in the mountains of Grenada.
18. Cuba has issued instructions for reprisals to be taken against U.S. citizens.
19. The journalists were excluded for their own protection.

None of these assertions were proved, none are true, and all have been refuted by the facts. This cynical way of lying in

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order to justify invading a tiny country reminds us of the methods Adolf Hitler used during the years leading up to World War II.

The U.S. students and officials of the medical school located there acknowledge that they were given full guarantees for U.S. citizens and the necessary facilities for those who wanted to leave the country. Moreover, Cuba had informed the U.S. government on October 22 that no foreign citizens, including Cubans, had been disturbed, and it offered to cooperate in solving any difficulty that might arise, so that problems could be settled without violence or intervention in that country.

No U.S. citizen had been disturbed at all prior to the invasion, and if anything endangered them, it was the war unleashed by the United States. Cuba's instructions to its personnel not to interfere with any actions to evacuate U.S. citizens in the area of the runway under construction near the university contributed to protecting the U.S. citizens residing in that country. Reagan's reference to the possibility that Grenada might turn into another Iran—a reference calculated to appeal to the U.S. feelings wounded in that episode—is a demagogic, politicking, dishonest argument.

The assertion that the new airport was a military one—an old lie that the Reagan administration had dwelt on a lot—was categorically refuted by the English capitalist firm that supplied and installed the electrical and technical equipment for that airport. The British technicians of the Plessey Company, which has made a name for itself internationally as a specialist in this field, worked alongside the Cuban construction workers, and attest to the civilian status of the workers. Several countries of the European Community that are members of the Atlantic Alliance cooperated in one way or another with the airport. How can anyone imagine them helping Cuba to build a military airport in Grenada?

However, the idea that Grenada was being turned into a Soviet-Cuban base is refuted by the proven fact that there wasn't even one Soviet military adviser on the island.

The supposedly secret documents that fell into the hands of the United States and were published by the Yankee administration a few days after the invasion refer to the agreement

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between the governments of Cuba and Grenada by virtue of which our country was to send Grenada 27 military advisers, which could later be increased to 40—figures that coincide with the ones Cuba published on the number of advisers, which was 22 on the day of the attack, to which were added a similar number of translators and service personnel from the mission. Nowhere in those documents that they have been crowing over is there something that has anything to do with the idea of military bases in Grenada. What they do show is that the weapons that the Soviet Union supplied to the government of Grenada for the army and the militia were subject to an article that prohibited their export to third countries, which refutes the idea that Grenada had been turned into an arsenal for supplying weapons to subversive, terrorist organizations, as the present U.S. administration likes to call the revolutionary and national liberation movements. No weapons ever left Grenada for any other country, and therefore Reagan can never prove that any did.

The assertion that Cuba was about to invade and occupy Grenada is so unrealistic, absurd, crazy, and alien to our principles and international policy that it cannot even be taken seriously. What has been proved is the absolutely scrupulous way in which we refrained from meddling in the internal affairs of that country, in spite of our deep affection for Bishop and our total rejection of Coard and his group's conspiracy and coup, which could serve only the interest of imperialism and its plans for destroying the Grenadian revolution. The messages containing precise, categorical instructions to our embassy in Grenada, which have been widely publicized by the government of Cuba, constitute irrefutable proof of the clear position of principles maintained by the leadership of our party and state with regards to the internal events in Grenada.

The civilian status of the vast majority of the Cuban cooperation personnel in Grenada has been shown to the whole world by the hundreds of foreign journalists who saw them arriving in our country and who were able to interview each and every one of them. Nearly 50 percent of them were over 40 years old. Who could question their status as civilian coopera-

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tion personnel and workers with long years of experience on their jobs?

When the U.S. government spokesmen asserted that there were from 1,000 to 1,500 Cubans in Grenada at the time of the invasion and that hundreds of them were still fighting in the mountains, Cuba published the exact number of Cuban citizens who were in Grenada on the day of the invasion: 784, including diplomatic personnel with their children and other relatives. The agencies that sent them and the kind of work they did were also reported, as well as the instructions given them to fight in their work areas and camps if attacked, and the fact that it was impossible—according to the information we had—for hundreds to remain in the mountains. Later, the names and jobs of all cooperation workers were published, as well as the known or probable situation of each one. The facts have shown that the information provided by Cuba was absolutely true. There isn't a single fact in all that information that could be proven false.

The assertion that the Cubans initiated the acts of hostility is equally false and cynical. The irrefutable truth is that the Cubans were sleeping and their weapons were stored at the time of the air drop on the runway and around the camps. They had not been distributed. There weren't enough to go around, and they weren't distributed until the landing was already underway, and that is when the Cuban personnel went to the places assigned to them for that emergency. Even so, our personnel, now organized and armed, had time to see the U.S. paratroopers regrouping on the runway and the first planes landing.

That was the invader's weakest moment. If the Cubans had fired first, they would have killed or wounded dozens—perhaps hundreds—of U.S. soldiers in those early hours. What is strictly historical and strictly true is that the fighting began when the U.S. troops advanced toward the Cubans in a belligerent way. It is also true that when a group of unarmed cooperation personnel was captured, they were used as hostages and forced to lead the way in front of the U.S. soldiers.

The invasion of Grenada was a treacherous surprise attack, with no previous warning at all—just like Pearl Harbor, just

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like the Nazis. The note from the government of the United States to the government of Cuba on Tuesday, October 25, in an attempted response to our note of Saturday, October 22, was delivered at 8:30 in the morning, three hours after the landing had taken place and an hour and a half after the U.S. troops began attacking our compatriots in Grenada. Actually, on the afternoon of the 25th, the U.S. government sent the government of Cuba a deceitful note that led us to believe that the fighting would cease in a reasonable and honorable manner, thus avoiding greater bloodshed. Although we immediately responded to that note, accepting that possibility, what the U.S. government did was to land the 82nd Airborne Division at dawn on the 26th and attack with all its forces the Cuban position that was still resisting. Is this the way a serious government behaves? Is this the way to warn of an attack? Was this the way to avoid greater bloodshed?

Mr. Scoon blatantly declared that he approved of the invasion but that he had not previously asked anyone to invade Grenada. A few days after the landing, Mr. Scoon—lodged in the *Guam* helicopter-carrier—signed a letter officially requesting the intervention. Reagan could not prove any of his false assertions.

When, as a pretext for keeping the *Viet Nam Heroico*—which was in the port of St. George's on the day of the invasion—from being used as a means of transportation for evacuating the Cuban hostages from Grenada, it was alleged that it carried special weapons, its captain was immediately asked if by any chance he carried weapons on board, and the only thing that was determined was that it had just one fearful weapon—its name: Vietnam.

The slanderous charge that Cuba had given instructions to carry out actions against U.S. citizens in other countries was given a worthy official and public reply based on reality, proven by the history of the revolution, that Cuba has always been opposed to acts of reprisal against innocent people.

The government of the United States has not condescended to offer the number of people arrested nor the figure of Grenadian losses, including civilian losses. A hospital for the mentally ill was bombed, killing dozens of patients.

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And where is Mr. Reagan's promise that U.S. troops would withdraw in a week? President Reagan himself in his first address to the U.S. people, at 8:30 A.M. on the day of the invasion, in a speech prepared before the landing, stated that the situation was under control. That same day, his own spokesman described the resistance the invading forces were facing. The military parade the Pentagon had planned to hold in four hours did not take into account the tenacious and heroic resistance of the Cuban cooperation personnel and of the Grenadian soldiers.

Who, then, has told the truth, and who has cynically lied about the events in Grenada? No foreign journalists—not even those from the United States—were allowed to see and report on the events on the spot. The pretext that this prohibition was a security measure for the journalists is both superficial and ridiculous. What they obviously wanted was to monopolize and manipulate the information so they could lie without any hindrance to world public opinion, including the people of the United States. This was the only way they could spread deliberate lies and falsehoods of all kinds—which would be difficult to clear up and refute after their initial impact on the people of the United States. Even in this, the method used by the U.S. administration was fascist.

What is left now, objectively, of those 19 assertions? Where are the silos for strategic missiles that were being built in Grenada? But all those lies that the world did not believe told by the U.S. president and his spokesmen made a tremendous impact on U.S. public opinion.

Moreover, the invasion of Grenada was presented to the U.S. people as a great victory for Reagan's foreign policy against the socialist camp and the revolutionary movement. It was linked to the tragic death of 240 U.S. soldiers in Beirut, to the memory of the hostages in Iran, to the humiliating defeat in Vietnam and the resurgence of the United States as an influential power on the world scene. A dirty, dishonest appeal was made to U.S. patriotism, to national pride, to the grandeur and glory of the nation.

This was how they got a majority of the U.S. people—it

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is said that it was 65 percent at first and then 71 percent—to support the monstrous crime of invading a sovereign country without any justification, the reprehensible method of launching a surprise attack, the press censorship and all the other similar procedures the U.S. government used for invading and justifying its invasion of Grenada. Hitler acted the same way when he occupied Austria in 1938 and annexed Sudetenland in Czechoslovakia, in the name of German pride, German grandeur and glory, and the happiness and security of German subjects. If a poll had been taken in Hitler Germany at that time, in the midst of the chauvinistic wave unleashed by the Nazis, around 80 or 90 percent of the people would have approved of those aggressions.

The deplorable, truly dangerous fact—not only for the peoples of the Caribbean, Central and Latin America, but for all the people of the world—is that, when world opinion unanimously denounced the warmongering, aggressive, unjustifiable action that violated people's sovereignty and all international norms and principles, most of the United States—manipulated, disinformed, and deceived—supported the monstrous crime committed by their government.

There is something even more disturbing: when this about-face was effected in U.S. public opinion, many U.S. politicians who initially had opposed these events ended up by condoning Reagan's action, and the press—censured, humiliated, and kept at a distance from the events—ended up moderating its complaints and criticism.

Are these, perchance, the virtues of a society where the opinion and the political and informational institutions can be grossly manipulated by its rulers, as they were in German society in the time of fascism? Where is the glory, the grandeur, and the victory in invading and defeating one of the tiniest countries in the world, of no economic or strategic significance? Where is the heroism in fighting a handful of workers and other civilian cooperation personnel whose heroic resistance—in spite of the surprise element, the shortage of ammunition, and their disadvantages in terms of terrain, arms, and numbers—against the air, sea, and land forces of the most powerful imperialist

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country in the world forced it to bring in the 82nd Airborne Division when the last stronghold was being defended at dawn on October 26 by barely 50 fighters? The United States did not achieve any victory at all—not political or military or moral. If anything, it was a Pyrrhic military victory and a profound moral defeat, as we pointed out on another occasion. The imperialist government of the United States wanted to kill the symbol of the Grenadian revolution, but the symbol was already dead. The Grenadian revolutionaries themselves destroyed it with their split and their colossal errors. We believe that after the death of Bishop and his closest comrades, after the army fired on the people and after the party and the government divorced themselves from the world, the Grenadian revolutionary process could not survive.

In its efforts to destroy a symbol, the United States killed a corpse and brought the symbol back to life at the same time. Was it for this that it challenged international law and won the repudiation and condemnation of the world?

Does it feel such contempt for the rest of humanity? Is that contempt really so great that Mr. Reagan's appetite for breakfast on November 3 was not at all affected, as he declared before the press?

If unfortunately all this were true—and it seems to be—the invasion of Grenada should lead us to an awareness of the realities and dangers that threaten the world.

Mr. O'Neill, speaker of the House of Representatives, said that it was sinful that a man who was totally uninformed and ignorant about international problems and who doesn't even read the documents was president of the United States. If we consider that the United States has powerful sophisticated means of conventional and nuclear warfare and that the president of that country can declare war without consulting anyone, it is not only sinful but truly dramatic and tragic for all humanity.

An air of triumph reigns in the Reagan administration. The echoes of the last shots in Grenada have barely died away and already there is talk of intervening in El Salvador, Nicaragua, and even Cuba. In the Middle East and Southern Africa, imperialism's acts of interference and military aggression against

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progressive countries and national liberation movements continue unabated.

In Europe, the first of the 572 Pershing and cruise missiles are already being deployed, surrounding the USSR and other socialist countries with a deadly ring of nuclear weapons that can reach their territories in a matter of minutes. Not just the small countries, but all humanity is threatened. The bells tolling today for Grenada may toll tomorrow for the whole world.

The most prestigious and experienced scientists and doctors assure us that humankind could not survive a global nuclear war. The destructive power of these stockpiled weapons is a million times greater than that of the unsophisticated bombs that wiped out the cities of Hiroshima and Nagasaki in just a few seconds. This is what the Reagan administration's aggressive, warmongering policy can lead to.

Meanwhile, the arms race is already a reality in the midst of the worst economic crisis the world has witnessed since the 1930s. And, with the problems of development of the vast majority of the peoples in the world still to be solved, who can feel confidence in a government that acts as precipitately, rashly, and cynically as the U.S. government did in Grenada? Reagan did not even bother to listen to the advice of a government as closely linked to him politically, ideologically, and militarily as the British government. It is not strange that, in a poll taken just a few days ago, more than 90 percent of the English were categorically opposed to the United States having the unilateral prerogative of using the cruise missiles that are being deployed there.

In our hemisphere, just a year and a half ago, a NATO power used sophisticated war means to shed Argentine blood in the Malvinas. The Reagan administration supported that action. It did not even consider the Organization of American States or the so-called security pacts and agreements, but scornfully pushed them aside. Now, basing itself on the alleged request of a phantasmagoric organization of micro-states in the eastern Caribbean, it has invaded Grenada and shed Caribbean blood and Cuban blood. Nicaragua paid a price of over 40,000 lives for freedom, and nearly 1,000 more sons of that noble

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people have been killed in the attacks made by mercenary bands organized, trained, and equipped by the U.S. government. In El Salvador, over 50,000 people have been murdered by a genocidal regime whose army is equipped, trained, and directed by the United States. In Guatemala, more than 100,000 have died at the hands of the repressive system installed by the CIA in 1954, when it overthrew the progressive Arbenz government. How many have died in Chile since imperialism staged the overthrow and assassination of Salvador Allende? How many have died in Argentine, Uruguay, Paraguay, Brazil, and Bolivia in the last 15 years?

What a high price our peoples have paid in blood, sacrifice, poverty, and mourning for imperialist domination and the unjust social systems it has imposed on our nations! Imperialism is bent on destroying symbols, because it knows the value of symbols, of examples, and of ideas. It wanted to destroy them in Grenada and it wants to destroy them in El Salvador, Nicaragua, and Cuba. But symbols, examples, and ideas cannot be destroyed. When their enemies think they have destroyed them, what they have actually done is made them multiply.

In trying to wipe out the first Christians, the Roman emperors spread Christianity throughout the world. Likewise, all attempts to destroy our ideas will only multiply them.

Grenada has already multiplied the Salvadoran, Nicaraguan, and Cuban revolutionaries' patriotic conviction and fighting spirit. It has been proved that the best U.S. troops can be fought and that they are not feared. The imperialists must not ignore the fact that they will encounter fierce resistance wherever they attack a revolutionary people. Let us hope that their Pyrrhic victory in Grenada and their air of triumph don't go to their heads, leading them to commit serious, irreversible errors.

They will not find in El Salvador, Nicaragua, and Cuba the particular circumstances of revolutionaries divided among themselves and divorced from the people that they found in tiny Grenada.

In more than three years of heroic struggle, the Salvadoran revolutionaries have become experienced, fearsome, and invin-

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cible fighters. There are thousands of them who know the land inch by inch, veterans of dozens of victorious combats who are accustomed to fighting and winning when the odds are one to ten against elite troops, trained, armed and advised by the United States; their unity is more solid and indestructible than ever. In Nicaragua, the imperialists would confront a deeply patriotic and revolutionary people that is united, organized, armed, and ready to fight and that can never be subjugated. With regard to Cuba, if in Grenada the imperialists had to bring in an elite division to fight against a handful of isolated men struggling in a small stronghold, lacking fortification, a thousand miles from their homeland, how many divisions would they need against millions of combatants fighting on their own soil alongside their own people? Our country, as we have already said on other occasions, might be wiped off the face of the earth, but it will never be conquered and subjugated.

In the present conditions of our continent, a U.S. war against a Latin American people would raise the morale of all the peoples of Latin America and turn their feelings against the aggressors. A bottomless abyss would be opened between peoples that, because they are in the same hemisphere, are called upon to live in peace, friendship, and mutual respect and cooperate with one another.

The experiences of Grenada will be examined in detail to extract the utmost benefit from them for use in case of another attack against a country where there are Cuban cooperation personnel. Cuban hostages had an unforgettable experience of what a country overcome by invading troops is like. The physical and psychological treatment given the cooperation personnel who were taken prisoner was insulting and a cause for indignation. And promises of all kinds were made to each of them to try to get them to go to the United States. But they were not able to break their steel-like staunchness. Not a single one deserted his homeland.

There was no manipulation of the news, nothing was hidden from the people, in our country. All reports concerning the invasion that were received directly from Grenada were transmitted to our population just as they arrived, even though the

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ones on October 26 turned out to be exaggerated. As a matter of principle, at no time were efforts made to play down the seriousness of the situation or to minimize the magnitude of the dangers facing our compatriots.

We are deeply grateful to the International Committee of the Red Cross for its interest, dedication, and efficient efforts to identify and evacuate the wounded, sick, and other prisoners and the dead as quickly as possible. We are also grateful to the governments of Spain and Colombia for the immediate efforts they made in this regard.

In bidding farewell to our beloved brothers who died heroically in combat, fulfilling with honor their patriotic and internationalist duties and in expressing our deepest solidarity to the loved ones, we do not forget that there are Grenadian mothers and U.S. mothers who are crying for their sons who died in Grenada.

We send our condolences to the mothers and other relatives of the Grenadians who were killed and also to the mothers and other relatives of the U.S. soldiers who died—because they, who also suffer from the loss of close relatives, are not to blame for their government's warmongering, aggressive, irresponsible actions. They, too, are its victims. Every day, every hour, every minute, at work, at our study and combat positions, we will remember our comrades who died in Grenada.

The men whom we will bury this afternoon fought for us and for the world. They may seem to be corpses. Reagan wants to make corpses of all our people, men, women, the elderly, and the children. He wants to make a corpse out of all humanity, but the peoples will struggle to preserve their independence and their lives. They will struggle to prevent the world from becoming a huge cemetery. They will struggle and pay the price necessary for humanity to survive.

However, they are not corpses, they are symbols. They did not even die in the land where they were born. There, far away from Cuba, where they were contributing with the noble sweat of their internationalist work in a country poorer and smaller than ours, they were also able to shed their blood and offer their lives. But in that trench, they also knew they were defending their own people and their own homeland.

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It is impossible to express the generosity of human beings and their willingness to make sacrifices in a purer way. Their example will be multiplied, their ideas will be multiplied, and they themselves will be multiplied in us. No power, no weapons, no forces can ever prevail over the patriotism, internationalism, feelings of human brotherhood, and communist consciousness which they embody.

We shall be like them, in work and in combat!

¡Patria o muerte!

¡Venceremos!

TWO POINTS OF VIEW

All this country wants is to see its neighbors stable, orderly and prosperous. Whichever of these countries whose people know how to behave themselves well can count on our cordial friendship. If a nation shows us that it knows how to act with efficiency and reasonable decency in social and political matters it does not have to suffer intervention from the United States.

—Theodore Roosevelt, 1904

The United States seems destined by providence to plague America with miseries in the name of liberty.

—Simon Bolivar, 1818

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SO CALLOUS AS A NATION

BY GEORGE McALMON

Haitians are so far down on their luck that if a world prize existed for the most hapless people they would be edged out on a technicality perhaps only by the Chadians or Bangladeshis. During June in Haiti a tree called *le flamboyant* blossoms crimson-orange, covering the mountain slopes down to the seashores, scattered among the African-style thatched huts of the barefooted, miserable people. For most of the population Haiti is a prison farm guarded against sea escape by the U.S. Navy and guarded from within by constant military-police surveillance.

In June my son and daughter-in-law, both talented photographers, a French-speaking friend *de confianza,* and I traveled about 600 miles up and down Haiti, and almost to the Dominican mountain border. Our van was stopped and passengers thoroughly checked by soldiers, police, or the blue-shirted Macoutes five times during a 180-mile trip to Cap-Haitien. I promptly cleared a hotel dining room of all present including waiters by foolishly asking a Haitian friend breakfasting at an adjoining table if anybody knew the whereabouts of Sylvio Claude.

Haitian per capita income is less than a dollar per day. An assembly job with an American company pays about $16 for a 48-hour week. For the general public there are almost no medical services or schools. Illiteracy is about 80 percent. While watching people in the street markets and streaming on foot along the roadways, we first sensed something strangely absent until we finally realized the older people were missing—there are no older people. Life expectancy is 45 years. Nature or the

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voodoo hougan-mambo cure sick Haitians, or they simply die. The children die too. Infant mortality is 130 per 1,000 during the first year. The U.S. rate is 14/1,000, and nearby Cuba is 25/1,000. Signs of disfiguring disease, malnutrition, and handicaps especially on the children are everywhere. Fruits and vegetables appear on display in the open markets, but few protein items—no meat, poultry, fish, or even beans. Stinking dried animal entrails were sometimes spread out for sale. We wondered where the carcasses went.

Schools, colleges, medical services, autos, and trips abroad are enjoyed by the monied class, an extremely small portion of the nation, certainly less than 1 percent. Its modern homes and mansions are on view in Pétionville, located on high, cooler ground above the steam-bath climate of the capital.

The gross thievery and mismanagement of the Jean Claude Duvalier regime—his family and intimates—may be the world's worst. From the precious meager national product the ruling coterie systematically skims and steals a considerable part (if not all) of the profits, and, even worse, exports its loot for investment and safekeeping abroad. One Haitian intellectual told us, "The country's economy would benefit more than it has from all foreign grants if the gang would just invest its cache at home, but it never will; they are too afraid." Duvalier's foreign deposits are estimated at $400 million.

The crass palace of "President for Life" Duvalier occupies to the public's view six square immaculate, patrolled blocks in otherwise teeming Port-au-Prince. The rear of the palace is not visible where it merges into the National Army Headquarters compound.

Besides its corruption the Duvalier dictatorship is guilty of obvious and basic mismanagement. Garbage and open sewage are everywhere. Modern streets, lighting, public schools, and clinics are almost nonexistent. There are about 400 miles of paved roads, the rest being four-wheel-drive- or foot-country. The mountain slopes, deforested for charcoal, are now eroded and mostly unplanted. Haiti has about 980 miles of seashore, but no commercial fishing industry. Mail delivery can take months. No sizable business operates in Haiti without participation by the ruling group.

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Haiti is not a happy place for foreign companies. We were told that the Duvalier group requires upfront cash before a foreign enterprise can even start to do business. Circumstantially, it would appear that Duvalier does not really care about new foreign industry which might in some ways tend to spoil his private preserve. Half of the national product and 80 percent of the workforce is based in agriculture, yet the country does not grow enough food to support itself and is a net importer of foodstuffs. Large unfarmed stretches in the Artibonite river valley were said to belong to the Duvalier group which has for unknown reasons failed to cultivate the area for several years.

While official corruption seriously impedes business, the Haitian labor market should be a manufacturer's paradise. The country is border-to-border people (about 6 million) with a high annual growth rate of 2.5 percent in an area the size of Maryland. Everywhere we went on the island, in the mountains and countryside and on the seashores, and of course in the towns, people were always within our sight, often in every direction, walking and carrying. The Dominican Republic has closed the overland exodus route except to temporary contract laborers, and since 1981 the U.S. naval blockade has closed the sea escape route. An estimated 80,000 Haitians entered the United States illegally in 1980, enough to hold the population at close to a zero growth level. Since the blockade the pressure-cooker effect has been on, with far too many people without means of minimal support. Haiti has no social services, minimum wage, social security, assistance for on-the-job injured, or pensions of any kind. Neither workers nor anybody else can organize for any purpose, and there are no labor unions or worker bargaining units. Life for the average Haitian is a basic day-to-day struggle for food and survival. The Haitian labor pool is helpless, captive, and not much different (just larger) than it was 200 years ago under French masters.

Human rights as defined by the Helsinki Accord of 1975 and the International Bill of Human Rights passed by the United Nations are nonexistent in Haiti except for freedom of religion. There are no political and civil rights under dictator-for-life Duvalier. No private criticism, political meeting, media announcement, or public protest is permitted under threat of

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arrest, beatings, torture, and death. The country is a military-police state with a close watch on all. That political prisoners have been reduced to about a score is no sign of improvement, but evidence that the domestic opposition has been terrorized into silence.

The Haitian office of the U.S. State Department describes the relationship between the two governments as "friendly." The State Department human rights office acknowledges the violations of human rights in Haiti but has no plan for any change of relationship between the governments. Both offices express pride that Duvalier has permitted municipal elections in Port-au-Prince and Cap-Haitien. Haitians at home and in the United States say the municipal elections are meaningless public relations moves, as no candidate is able to organize or to express an unfavorable comment about the government. The elections were about as free as the one which appointed young Duvalier "President for Life."

Parade magazine recently named Duvalier as the fourth worst of the world's leaders, stating that "this Hottentot presides over a system of enforced starvation and cultural despair that afflicts 90 percent of his people," libeling in the process a poor but perfectly decent people.

For the United States Haiti is not just another desperately poor, small country. With Cuba on the west side, Haiti controls the east side of the 70-mile-wide Windward Passage through which most ships sail to and from Atlantic coast ports and the Panama Canal. With its strategic location principally in mind, the U.S. Marines occupied Haiti between 1915 and 1934 (without any noticeable progressive influence on the nation, incidentally).

U.S. policy for Haiti is strictly "business as usual": aid and demands both are low. The United States can, however, exercise extraordinary power in the relationship, as evidenced by the 1981 agreement with Duvalier permitting U.S. officials to commit the humiliating act of stopping and boarding Haitian flagged ships and craft on the high seas to search for escapees and drugs. The only recent difference in policy is President Reagan's Caribbean Basin Initiative (CBI) announced in February 1982, covering 28 countries, including Haiti. The CBI

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program awarded Haiti $10 million in aid, which has now been paid. The State Department Haitian office could not tell me what the CBI money was spent on. Another part of the program (if passed by Congress) will grant favorable import-export and tax breaks to U.S. companies opening assembly plants in Haiti. The Haitian labor market is so pitifully defenseless that roving U.S. assembly plants will give some temporary employment until moved on to other nations, but the operation of the plants will be extractive and not a progressive or permanent influence.

Part of present U.S. policy is to restrain the efforts of refugee Haitians in the United States from attempting to organize opposition to the Duvalier regime. An expatriate's radio station beamed from the United States to Haiti was closed long ago. Efforts to infiltrate back to Haiti are closed by the naval blockade. U.S. policy intransigently supports Duvalier, and the comforting security of White House backing allows Duvalier to operate his whole-nation slave plantation system without restraint or hope for improvement in any area for the Haitians.

It is outrageous that the United States even maintains diplomatic relations with a "President for Life" and his band of thugs.

U.S. policy makes no call upon the Haitian government for a free national election, as was true in the case of El Salvador. Nor has any U.S. administration imposed any sanctions for the constant, ongoing violation of human rights, as the Reagan administration has against Poland, Cuba, and Nicaragua. U.S. administrations continue to supply the Haitian government with aid to buy military and naval equipment.

The Haitian nation understandably and with good cause may soon revolt. There is patriotic, capable revolutionary leadership among the 800,000 Haitian expatriates, most of whom live in the United States. On the present course the revolution will resemble those of Nicaragua, Cuba, Iran, Ethiopia, and the approaching revolts in Guatemala and Chile. I have found no Haitian within or without the country who believes that Haiti can be put on a track toward respect for human rights and an improving economy by working through Duvalier. All are of the opinion that no constructive change can occur until Duvalier

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and his associates are removed from government. Some expressed hope that when the revolution occurs some of the ruling family can be arrested and held until their illicit spoils are returned to Haiti.

U.S. pronouncements on human rights and a new State Department program styled "Project Democracy" are, so far, mere public relations talk-points. The government's noble words concerning human rights are selectively and hypocritically applied among the violating nations of the world, and are backed by no plan for action.

The Duvalier government does not threaten the guiding principle of U.S. foreign policy, readily accedes to all U.S. requests, costs little, and consequently relations are "friendly," and Duvalier is left free to commit any kind of atrocity on the island. The model of U.S. relations with the ruler of Haiti and disgraceful lack of concern for Haitians is the same as for another score of countries around the globe. The official U.S. attitude described above will substantially contribute to the occurrence before long of violent and untoward revolutions in the affected nations, including Haiti. A Haitian teacher asked us, "How can Americans be so decent as individuals and so callous as a nation?"

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TO MY UNKNOWN SISTER IN BEIRUT

BY D. H. MELHEM

Sister unknown sister
your voice reaches me
from cedars shrouded
in the rubble of your house
and from your thirsty streets
that drink blood
and bake bodies
like loaves of flat bread
tossed into the sun

Sister unknown sister
our fearful brother brings bombs
our brother who bought death
from my father
our brother who ate the blood-lust
of his tormentors
He ate their defeat
and they took his victory
And the song of his fighter jets
screams screams
the voices of children who were
singing
a people proud to be peaceful

D. H. Melhem is a Lebanese-American who teaches writing at the New School in New York. Her volumes of poetry include *Notes on 94th Street* and *Rest in Love*.

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Sister unknown sister
whose dark eyes shadow my escape
are the olives bitter
in your throat?
Their pits embarrass
politicians
Your innocence embarrasses
politicians
Your agony embarrasses
politicians
Sister my sister
there are lessons
to be learned
from death

Nazik al-Mala'ika
Boitumelo
Violeta Parra
Salma al-Khadra' al-Jayyusi
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MARX ON INDIA

BY SUNITI KUMAR GHOSH

Marxists and others who have written in detail or just touched on what Marx said about India are almost unanimous in assuming that his writings of the 1850s on India, especially his statement that the British rule in India was fulfilling a double mission—a mission destructive as well as regenerating—were his last word on the subject. While some of them agree with the Marx of the 1850s, others disagree and criticize him. Among the former are R. Palme Dutt, A. R. Desai, V. G. Kiernan, and Shlomo Avineri; and among the latter are Samir Amin and M. Barratt Brown.[1]

It is true that in the 1840s and 1850s Marx and Engels pinned their hopes on free trade and the development of a world market as an instrument for ensuring the victory of capitalism everywhere. "But as the facts concerning colonialism accumulated," H. B. Davis correctly pointed out, "Marx's enthusiasm for capitalism as a transforming instrument cooled."[2] As we shall see, Marx later abandoned his earlier view about the regenerating role of the rule of British capital in India. But this development of Marx's thought is usually ignored.

In 1853, when Marx wrote his articles on India for the *New York Daily Tribune,* he hailed the British rule in India as an "unconscious tool of history." He believed it was bringing about "a fundamental revolution in the social state of Asia," which would rid that continent of the muck of all ages, however painful to its people the process might be. He hoped that

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English steam and free trade would, by pouring into India cheap products of the British factory industry, especially Lancashire textiles, tear apart the village communities with their "stagnatory" and "passive sort of existence" which formed the solid foundation of Oriental despotism, shatter the union between agriculture and industry and their self-sufficiency and isolation, and thus blow up "their economical basis." He formulated British capital's "double mission" theory—a mission destructive as well as regenerating. According to him, it was pulling down the fabric of "old Asiatic society" and laying "the material foundations of Western society in Asia."[3] Hope then told a flattering tale, and Marx believed that the ruin and devastation caused by British colonial rule was a terrible but necessary price for "the only social revolution ever heard of in Asia."

Marx noted in 1853 that the chief features of precolonial Indian society were the following: (1) "the absence of private property in land," an idea which he and Engels owed to Bernier; (2) dependence on artificial irrigation which was in the East, as Engels said, "the first condition of agriculture" and which was "a matter either for the communes, the provinces, or the central government"; (3) a society consisting of "stereotype and disconnected atoms"—self-perpetuating village communities which "existed with a given scale of low conveniences, almost without intercourse with other villages, without the desires and efforts indispensable to social advance"; (4) "the domestic union of agricultural and manufacturing pursuits," the primeval marriage between the plow and the handloom and other tools of crafts workers and "an unalterable division of labor" (besides "possession in common of the land") as the basis of these self-sufficient and isolated village communities; (5) the customary obligations through which exchange of goods and services between the agricultural and industrial producers and the servants of the community took place, and the virtual absence of production for the market; (6) the existence of towns and cities that were no more than military camps "superimposed on the real economic structure"; and (7) its resistance to change: the village communities "transformed a self-developing social state into never changing natural destiny. . . ."

Research into Indian history, especially the history of Mug-

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hal India, undertaken since Marx wrote the above, has conclusively proved that the picture of precolonial Indian society that Marx drew in the 1850s depending on the reports of some high British officials is far from accurate. In passing we may note, first, that possession and use of the land was not common but individual. The individual peasant had the hereditary right of occupancy of his plot of land so long as he paid the land revenue. Private property in land was not wholly absent though cases of alienation of agricultural land were rather rare. Second, the village community was not a proprietary but an administrative unit. Third, it was no egalitarian society but one marked by sharp class differences. There was differentiation among the peasantry itself and even agricultural wage labor had appeared in places. Fourth, the village was not an autarchic isolated unit, though natural economy mostly prevailed. The land revenue was paid generally in cash and, as a result, one third to one half of the agricultural produce became commodities. In many regions, a portion of the rural products, of both the peasants and the artisans, such as high-grade food crops, cotton, silk, indigo, tobacco, saltpetre, cotton yarn, and textiles was market-oriented. In the urban area, petty commodity production was the main form of industrial organization and the putting-out system was prevalent. Artisans and others could be hired for wages. It was not uncommon in some regions for a merchant capitalist to employ several artisans to work under the same roof for wages. In some industries, such as shipbuilding, mining, iron and steel, silk and cloth printing, cotton textiles, sugar, and dyestuff, capitalist manufacture had emerged though in an embryonic form. There existed a large urban population and a big urban market. Trade between the urban areas and external commerce were considerable.[4]

It may also be noted that Marx's hopes about the regeneration of Indian society under the impact of colonial rule were mostly belied. After more study and investigation, he himself discarded in his later days most of the views he had held earlier, especially his theses about the revolutionary character of free trade and the "double mission" of British colonial rule.

Marx designated Indian society as the "Asiatic society" or the "Asiatic system" in articles written on India in 1853. Per-

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haps it was in the Economic Manuscripts of 1857-1859, published long afterwards under the title *Grundrisse der Kritik der politischen Okonomie,* that he first used the expression "the Asiatic mode of production." In the sections of the *Grundrisse* that have been translated into English under the title *Pre-Capitalist Economic Formations* and in *Capital,* Vol. I, he described precolonial Indian society as the Asiatic mode. Among the characteristics of the Asiatic mode, he emphasized the existence of the village commune, absence of private property and communal ownership, and "a self-sustaining cycle of production, unity of agriculture and the handicrafts." Under such a system, cities were no more than "princely camps, superimposed on the real economic structure." According to Marx, Asiatic society, which provided the surest basis of Oriental despotism, was a preclass society or a class society of the most primitive form.[5] And as a society with little class differentiation, the inner contradictions that are the basis of change were absent and it had little capacity of its own for change or revolution.

But it seems that Marx was never sure about his concept of the Asiatic mode of production. Referring to India, he wrote as early as 1853: "As to the *question of property,* this is a very controversial one among the English writers on India. In the broken hill-country south of Krishna, property in land does seem to have existed."[6] And, even in 1853, he noted "an internal dualism" in the village communities in India. He wrote that though the land belonged to the entire village community, and though in some of these communities "the lands of the village are cultivated in common, *in most cases* each occupant tills his own field." Besides, there was slavery and the caste system within them.[7] Much later, contradicting partly his earlier view about the "possession in common of the land," he said, "no private property in land exists, although there is both private and common possession and use of land."[8]

Speaking of the Russian community which he equated with the Asiatic system, he said:

> I now come to the crux of the question. We cannot overlook the fact that the archaic type, to which the Russian commune belongs, conceals *an internal dualism,* which may under certain historic circumstances lead to its ruin. Property in land is communal,

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but each peasant cultivates and manages his plot on his own account, in a way recalling the small peasant of the West. Common ownership, divided petty cultivation: this combination which was useful in remoter periods, becomes dangerous in ours. On one hand mobile property, an element which plays an increasing part even in agriculture, gradually leads to differentiation of wealth among the members of the community, and therefore makes it possible for a conflict of interests to arise, particularly under the fiscal pressure of the state.[9]

Again, in the first draft of his reply to Vera Zasulich, he referred to this "dualism inherent in the 'land commune'," "which can become a source of disintegration with time."[10] It is evident that at least in his later years, Marx maintained that it was not devoid of inner contradictions which are the main motive force of change. Avineri's glib assertions in his introduction to *Karl Marx on Colonialism and Modernization,* that Marx viewed oriental society as having "no internal mechanisms of change" (p. 11) thus betray his partial and incorrect understanding of Marx's writings.

The second thing to note is that in his drafts of the reply to Vera Zasulich Marx viewed the village community not as static and unchanging but as developing or disintegrating to give rise to a comparatively more advanced society. Even in the Preface to *A Contribution to the Critique of Political Economy,* he observed that the Asiatic, ancient, feudal, and bourgeois modes of production were "epochs *marking progress* in the economic development of society" (emphasis added). It is significant that this observation is preceded by what may be described as a summary of his doctrine of historical materialism, in which Marx stated that at a certain stage of the development of the material productive forces, a contradiction invariably arises between them and the existing relations of production, and this stage is followed by an epoch of social revolution.

In the second draft of his reply to Zasulich, Marx wrote in parentheses: "I observe by the way, that the form of communist property in Russia is the most modern form of the archaic type, which in turn has passed through a number of evolutionary changes." He added: "Just so the archaic formation of society reveals a number of different types, which characterize different and *successive* epochs." (p. 142, emphasis added) And in the

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third draft he wrote: "Primitive communities are not all cut to a single pattern. On the contrary, taken together they form a series of social groupings, differing both in type and in age, and *marking successive phases of development*. . . . As the last phase of the primitive formation of society, the agricultural community is at the same time a *transitional* phase to the secondary formation, i.e., transition from society based on common property to society based on private property." (pp. 144-45, emphasis added) At about the same time he described the village commune in the "East Indies" (i.e., India) as the *"last stage* or the last period in the archaic formation."[11]

Avineri, who affirms that according to Marx, "the dialectics of historical development are not operative in Asia," talks of the "paradox" that "the more penetrating Marx's analysis of Asian society is, the graver the difficulties it poses to the internal structure of Marx's philosophy of history." (pp. 11-12) The "paradox" lies rather in the imagination of Avineri, for the difficulties presented by Marx's earlier writings with their incorrect analysis of the precolonial Indian society, based on some contemporary writings, disappeared later. There is no conflict between what he said about oriental society in his later writings and his materialist dialectics.

Daniel Thorner rightly said: "In 1881 Marx simply leaves static Asiatic society out of the picture." Referring to the notes Marx made after 1867, Thorner observes that in these jottings Marx is silent on the Asiatic mode of production.[12]

It is significant that the third volume of *Capital* describes the mode of production in India and China that existed before the coming of the Europeans not as the Asiatic mode of production but as "pre-capitalistic, national modes of production." (p. 333) It is also significant that in *Socialism: Utopian and Scientific* Engels speaks of the exploited classes being kept forcibly by the state "in the condition of oppression corresponding with the given mode of production (slavery, serfdom, wage-labor)," but there is no mention of the Asiatic mode of production.[13]

Similarly, in *The Origin of the Family, Private Property and the State,* which was based on notes that Marx had made,

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Engels makes no mention of the Asiatic state, while he speaks of "the state of antiquity," "the feudal state," and "the modern representative state."[14]

As Marx's theory of the Asiatic mode of production, of an unchanging Asiatic society, underwent a complete change, so did the rosy view of British rule in India which he had held earlier. More study and investigation convinced him that the rule of foreign capital had started a process of de-industrialization, transformed India's economy into an appendage of the economy of the metropolitan country, and doomed it to further backwardness. He noted:

> By ruining handicraft production in other countries, machinery forcibly converts them into fields for the supply of its raw material. In this way East India was compelled to produce cotton, wool, hemp, jute, and indigo for Great Britain. . . . A new and international division of labor, a division suited to the requirements of the chief centers of modern industry springs up, and converts one part of the globe into a chiefly agricultural field of production, for supplying the other part which remains a chiefly industrial field.[15]

About the railways, the construction of which he had hailed in the early 1850s in *On Colonialism* as the catalyst of an industrial revolution in India (pp. 87-88), Marx later wrote: "Generally, the railways gave of course an immense impulse to the development of foreign commerce, but the commerce in countries which export principally *raw produce* increased the misery of the masses."[16]

According to Marx, the railways proved "very dismal for the real producer" and served, to use Irfan Habib's expression, "as the catalyst of complete colonialization." Marx wrote: "*the production itself,* I mean the special *sort of produce,* was changed according to its *greater or minor suitableness for exportation*. . . ."[17] That is, dragged into the orbit of capitalist world trade, with a great part of its productive forces destroyed or refashioned to suit the demands of industrial Britain, the economy of the country acquired a satellite character.

On the extent of the drain of wealth to Britain, one of the formidable obstacles to the capitalist development of India, Marx wrote:

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What the English take from them [the Indians] annually in the form of rent, dividends for railways useless to the Hindus, pensions for military and civil servicemen, for Afganistan and other wars, etc., etc.—what they take from them *without any equivalent* and *quite apart* from what they appropriate to themselves annually *within* India—speaking only of the *value of the commodities* the Indians have gratuitously and annually to *send over* to England—it amounts to *more than the total sum of income of the 60 millions of agricultural and industrial laborers of India!* This is a bleeding process with a vengeance![18]

While in 1853 Marx had welcomed the *zamindari* and *ryotwari* systems of land settlement for introducing private property in land, as early as 1858 he described the "exclusive proprietary rights claimed by the talukdars and zamindars" as "an incubus on the real cultivators of the soil and the general improvement of the country."[19] In 1881 he said: "To take the case of East India, for instance, no one with the exception of Sir H. Maine and others of the same stock, can be ignorant that there the extinction of the communal ownership of land was only an act of English vandalism *which pushed the indigenous people not forward but backward.*"[20]

It is evident that Marx had outgrown his earlier optimism about the revolutionary role of British colonial rule. He came to hold that far from laying down the material premises of a capitalist society, colonial rule destroyed much of the existing productive forces, retarded the development of new ones, flung the country backward, and laid the basis of its underdevelopment. Instead of promoting the development of new productive forces, it tied India to the world market as a "chiefly agricultural field"; instead of the railways serving as the forerunner of modern industry, they proved to be a means of converting India into an agricultural appendage of Britain and a market for its industrial goods.

It is a pity that many writers consider Marx's early thesis about the "double mission" of the British rule in India as his final word on the subject. In his Introduction to Marx's articles on India R. Palme Dutt described them as "among the most fertile of his writings, and the starting point of modern thought on the questions covered." And he continued to cherish as an axiomatic truth the above discarded thesis of Marx even in

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1970, when an edition of his *India Today*—the last one during his lifetime—appeared, and analyzed Indian society, its classes and struggles during the colonial era in the light of this thesis. His panegyric on early British rule (pp. 252-53) shows that in his faith in the "progressive" and "revolutionary" role of British rule he left the Marx of the 1850s far behind. He also excelled Marx when he dubbed the revolt of 1857 (which Marx described as "a national revolt") as "the last attempt of the decaying feudal forces, of the former rulers of the country, to turn back the tide of foreign domination." He added: "As has been already pointed out, the progressive forces [sic!] of the time, of the educated class, representing the nascent bourgeoisie, supported British rule against the Revolt." (p. 358)

A blatant apology for colonialism in the name of Marxism is provided by Avineri, who ignores Marx's later writings and the actual results of colonial rule. While accusing the "Maoists" of being "totally unaware" of Marx's writings on India and China, Avineri himself seems to be unaware that after more investigation and research Marx revised his views about the "regenerating" character, for instance, of the agrarian systems and the railways that the British introduced.

Avineri attributes to Marx the following thesis (p. 12):

> Just as the horrors of industrialization are dialectically necessary for the triumph of communism, so the horrors of colonialism are dialectically necessary for the world revolution of the proletariat since without them the countries of Asia (and presumably also Africa) will not be able to emancipate themselves from their stagnant backwardness.

Avineri argues: "The direct corollary of this [the conflict between Marx's "European-oriented philosophy of history" and "the non-dialectical stagnant nature of the Asiatic mode of production"] would be that Marx would have to welcome European penetration in direct proportion to its intensity: the more direct the European control of any society in Asia, the greater the chances for the overhauling of its structure and its ultimate incorporation into bourgeois, and hence later into socialist, society." (p. 18) Curiously enough, Avineri ascribes to Marx and Engels the absurd view (which history has proved false) that there is no "possibility of national wars of liberation prior

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to the proletarian revolution in Europe. (p. 20) He also asserts that Marx had no sympathy with the causes of the great Indian revolt of 1857-58 and with those who took part in it.

To take Avineri's last statement first: Marx, as we have seen, characterized the Indian revolt of 1857 as "a national revolt," and Engels called it a "great rebellion."[21] "As to the talk about the apathy of the Hindus [i.e., Indians], or even their sympathy with British rule, it is all nonsense," said Marx, adding, "In view of such facts, dispassionate and thoughtful men may perhaps be led to ask whether a people are not justified in attempting to expel the foreign conquerers who have so abused their subjects."[22] Marx described the Indian forces fighting to overthrow British rule as "the revolutionary league"; and he and Engels denounced the British rule and condemned the savagery of the British army in emphatic terms.[23]

Marx poured all his scorn on the native allies of the British. In the closing years of his life, he wrote: "*Sindhia* [the ruler of Gwalior] loyal to the 'English dogs,' not so his '*troopers*'; *Raja of Patiali*—for shame!—sent large body of soldiers in aid of the English!" Again, he lashed out at those who supported the British: "*Young Sindhia* (English dog-man) driven out of Gwalior by his troops after hard fighting, fled for his life to Agra." He also used the choice epithet "English dog-man" for the king of Nepal, who was loyal to the British.[24]

At one stage during the progress of the war, Marx hoped that victory would belong to the Indians. In *The First Indian War of Independence* he wrote: "We may almost expect, during the following campaign, a rehearsal of the Afghanistan disasters." (p. 103) Is it so difficult to understand on which side Marx's sympathies lay?

As regards Avineri's theory, attributed to Marx, that national liberation wars in colonies and semi-colonies must follow, and cannot precede, the proletarian revolution in Europe, it should be pointed out that in "The Future Results of British Rule in India" (1853) Marx wrote that "the fruits of the new elements of society" would not be reaped by the Indians till the ruling classes in Great Britain were supplanted by the industrial proletariat or *till the Indians themselves were "strong enough to throw off the English yoke altogether."*[25] So Marx never held, as

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Avineri would have us believe, that national liberation wars were to wait until proletarian revolutions had succeeded in Europe.

Speaking of Ireland, Britain's oldest colony, Marx wrote in 1867: "Everytime Ireland was just about to develop herself industrially, she was 'smashed down' and forced back into a mere 'agricultural country'."[26]

In 1869 Engels said, "Irish history shows what a misfortune it is for one nation to have subjugated another. . . ."[27] And in early 1870 he wrote, "The more I study the subject the clearer it is to me that Ireland has been stunted in its development by the English invasion and thrown centuries back."[28]

For a long time Marx had believed that "it would be possible to overthrow the Irish regime by English working class ascendancy," but he later changed his mind. "Deeper study has now convinced me of the opposite. The English working class will *never accomplish anything* until it has got rid of Ireland. *The lever must be applied in Ireland.*" (emphasis added)[29] He said that what the Irish needed was (1) "self-government and independence from England"; (2) "an agrarian revolution"; and (3) "*protective tariffs* against England."[30]

Marx came to hold that not only the internal development of Ireland but the proletarian revolution in England depended on the national liberation of Ireland. He wrote that for the English workers "the *national emancipation of Ireland* is no question of abstract justice or humanitarian sentiment but *the first condition of their own social emancipation.*"[31]

Earlier, Marx had hailed free trade in the hope that it would hasten the social revolution though "under the present conditions of society" it meant "freedom of capital."[32] It was in this revolutionary sense that he had welcomed the destruction of India's rural industry by free trade, by the invasion of the products of Britain's factory industry, and the consequent ruin of village communities. But afterwards he was convinced that free trade destroyed the productive powers of the countries that were unable to protect themselves. He noted in *Capital,* Vol. I, that the European states "forcibly rooted out, in their dependent countries, all industry, as, e.g., England did with the Irish woolen manufacture." (p. 708) The only industry that

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thrived in Ireland, observed Marx, was the coffin-making industry. That is why he came to hold that without protective tariffs against England there could be no internal development in Ireland.[33] His earlier view about the revolutionizing role of free trade underwent a sea-change, and in *Capital,* Vol. I, he wrote: "The system of protection was an artificial means of manufacturing manufacturers, of expropriating independent laborers, of capitalising the national means of production and subsistence, of forcibly abbreviating the transition from the medieval to the modern mode of production." (p. 708)

Avineri's thesis that "the countries of Asia (and presumably also Africa) will not be able to emancipate themselves from their stagnant backwardness" without experiencing the "horrors of colonialism" and that "the more direct the European control of any society in Asia, the greater the chances for the overthrowing of its structure and its ultimate incorporation into bourgeois, and hence later into socialist, society" may need no refutation. Yet we may refer in passing to the cases of Japan, China, and India to show how amazingly perverse Avineri's theses are. Of all countries of Asia and Africa, it was Japan which escaped the horrors of colonialism and semi-colonialism and had the chance of pursuing the path of independent capitalist development. So, unfettered by colonial rule, Japan transformed its precapitalist economic structure, emancipated itself from its "stagnant backwardness," and came to rival Western capitalist-imperialist powers and even to outdo some of them. China, on the other hand, was reduced to a semi-colony by several Western imperialist powers, Russia, and Japan, which perpetrated many horrors there. But their penetration was not as intense, their control over China's affairs not as direct, as British penetration into and control over India. This factor, which resulted in a scramble among the imperialist powers for hegemony over China, gave rise, besides other factors, to a favorable opportunity, as Mao observed, for making a revolution that overthrew the rule of the imperialists and their native allies and enabled China to take the socialist road.[34] But in India, British penetration and control were most intense, direct, and of long duration. The result of it all is that even today Indian society can hardly be called bourgeois, that its economy is still

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an appendage of the economy of imperialist countries, that its ruling classes play the role of subordinate junior partners of imperialism, and that India is one of the poorest countries that wallow in "stagnant backwardness."

Historical facts unmistakably prove that the weaker the penetration of an imperialist country into a country of Asia and Africa (and Latin America), the less difficult is the transition from the precapitalist to the capitalist or the socialist stage. On the other hand, the greater the penetration and the more direct the control, the more difficult is the transition. For the imperialist powers allied themselves with all the most backward and reactionary classes in the colony to fleece it, keep its people in bondage, and build a basic complementarity between the metropolitan economy and the economy of the colony—a complementarity which had a distorting effect on the latter, caused it to retrogress, and laid the basis of its underdevelopment. So what Avineri says in justification of the horrors of colonialism is in flagrant contradiction with facts.

Marx's later writings show that he came to hold the following views:

First, colonial rule, far from playing a revolutionary role, throws the people of the colony not forward but backward as it creates a lopsided economy which is tied as an appendage to the economy of the metropolitan country.

Second, the type of destruction of the old order which is a prerequisite for regeneration can be carried out by internal forces and not by external ones, such as the rule of foreign capital, which tend to preserve the old social structure in a modified form. Such destruction or social revolution depends on the people of the colony themselves.

Third, for such destruction, without which there can be no construction or regeneration, a colony must first win national independence. Self-government and independence are of primary necessity to a colony or semi-colony for any real progress of its people. Without smashing the colonial shackles, no colony can achieve regeneration.

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12. Daniel Thorner, "Marx on India and the Asiatic Mode of Production," *Contributions to Indian Sociology* (Paris), 9 (December 1966), pp. 63, 66.
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BOOKS

THE AMORAL COURTIER AND THE MAD PRINCE

By Tran Van Dinh

The Price of Power: Kissinger in the Nixon White House, by Seymour M. Hersh. New York: Summit Books, 1983, 698 pp. $19.95.

> Let a prince have the credit of conquering and holding his state, the means will always be considered honest, and will be praised by everybody.
>
> —Niccolò Machiavelli, *The Prince*

> When everybody dislikes a man, enquiry is necessary; when everybody likes a man, enquiry is necessary.
>
> —Confucius, *The Analects*

This book is an "account of the foreign policy of the United States presided over by Henry Kissinger during Richard Nixon's first term in the White House." (Introduction, p. 19) It is based on over a thousand interviews with men and women who worked in the American government during that period, on the memoirs of Henry Kissinger and Richard Nixon, and on reporting in the *New York Times* and the *Washington Post*. Some interviews took place abroad, such as those with leaders of the Socialist Republic of Vietnam in Hanoi in 1979. Despite "persistent requests," neither Kissinger nor Nixon was willing to be interviewed. The book contains 41 chapters with lengthy footnotes, 22 additional pages of

Tran Van Dinh teaches internationational politics and communications in the Department of Pan-African Studies, Temple University, in Philadelphia. He is author of *Blue Dragon, White Tiger*, a political novel (1983), and a forthcoming book on communication, *Diplomacy and Communication in a Changing World* (1984).

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notes, a 31-page well prepared index, and an Epilogue. It is the product of four years of research and writing by its author, Seymour Hersh.

Mr. Hersh is no stranger to those who were concerned about the Vietnam war. In 1970 he revealed to a horrified public the massacre of civilian Vietnamese in the hamlet of My Lai. For this revelation he earned a Pulitzer Prize. Since then, he has been recognized as a top investigative reporter, and he is the only American who so far has received four George Polk Awards.

The methodology used in this book could be a good model for a serious Ph.D. candidate writing his or her dissertation. For any episode or anecdote, first quote directly from the principals (Kissinger and Nixon), then marshal facts, supporting documents, and other evidence to prove that their statements are at best misleading, at worst distortions and lies.

By any standard, *The Price of Power* is a first-class scholarly work, and those who attack the author for not being a "scholar" should look at Webster's definition of a scholar as "one who has a profound knowledge of a particular subject," and not necessarily one who holds a Ph.D. degree. By careful and meticulous documentation, Hersh indeed shows a "profound knowledge" of Nixon's and Kissinger's political manipulations and intrigues.

The book, as already noted, is about foreign policy and its conduct, or diplomacy. Diplomacy—as it has been understood in Western countries since the fifteenth century—is the art and science of negotiating an agreement acceptable to all parties. In this sense, there is no victory in diplomacy, only compromise and reconciliation. Yet during his tenure as national security advisor to the president, Kissinger was praised by the mass media and by many foreign dignitaries as the "miracle man," the star negotiator who brought home trophies by the dozens, and the inventor of "shuttle diplomacy." He was called "almost a legend" by President Reagan when he was recently named head of a bipartisan commission on Central America.

The Price of Power discusses practically all major developments in the international scene during the years 1969-73. But the following ones are the most important and the ones for which both Nixon and Kissinger have claimed successes: the Middle East, the Strategic Arms Limitation Talks (SALT), the opening of relations with the People's Republic of China (PRC), the negotiations to end the Vietnam war, and the overthrow of the regime of Salvador Allende in Chile.

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The Middle East (Chapters 18, 19, 29)

Nixon, who is "generally contemptuous of Jews, an attitude he did not bother to conceal from Kissinger and other close associates" (p. 214), and Kissinger, for whom personal power is more important than religion and morality, hoped to reach a solution which pleased the pro-Israel Jewish constituency in the United States. However, in 1969 and 1970, "spite played a major role in America's foreign policy in the Middle East." (p. 213) Then Secretary of State William Rogers was left enough freedom to deal with the region while Kissinger was busy building his power base within Nixon's White House. Rogers proposed a plan for the partial disengagement of both Egypt and Israel along the Suez canal. His plan had a serious chance of acceptance by the belligerents but was torpedoed by Kissinger, who convinced Nixon to veto it. Kissinger did not want the State Department and especially Rogers to get the credit for negotiated peace. Later, in 1974 and 1975 and after a bloody war, Kissinger took the Rogers Plan as his own and won its acceptance. The success of course was a short-lived one: the bloodshed in the Middle East (Lebanon) continues and peace cannot be restored to the area unless and until a solution for the Palestinians is reached.

Relations with the People's Republic of China

The opening of informal contacts (formalization took place only under the Carter administration with the opening of the Chinese embassy in Washington) with the PRC after months of secret negotiations and following the media-event visit of Nixon to Peking, was not essentially the result of Nixon's enlightenment or Kissinger's skills. It was the consequence of developments beyond the control of the United States, i.e., the enduring and fundamental PRC-USSR geopolitical and ideological conflict; internal divisions within Chinese society after the collapse of the Cultural Revolution; the reemergence of historical distrust between Vietnam and China, little known then but later blown up to full scale in 1979 with the invasion of Vietnam by China and the Vietnamese military occupation of Kampuchea. The "China card" was played at the moment when the PRC was willing to go along because it served Chinese interests. As Hersh writes: "Nixon needed a summit in Peking, with live television back home, to assure reelection. China needed instant world recognition that it, like the Soviets, was in a position to bargain on equal terms with the United States." (p. 377)

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Since the famed Shanghai Communiqué of February 28, 1972, according to which the United States and the PRC pledged to work for the improvement of relations, the "China card" has not been free of troubles and complications. The Chinese occasionally complain about U.S. "unofficial" relations with and sale of arms to Taiwan, which the PRC considers as a province of China and not an independent country.

The SALT Negotiations with the USSR

Nixon and Kissinger achieved the first breakthrough with the Soviets in the SALT negotiations after they agreed to sell more than $1 billion worth of American wheat to Moscow. They had to convince the maritime unions to change their long-standing political objection to loading Soviet freighters (Chapter 25). Moreover, Nixon and Kissinger concluded an agreement with the Kremlin leaders while bypassing the U.S. delegation to SALT led by Ambassador Gerard Smith, thus gaining full credit for themselves. In the process, they had to distort highly classified internal studies on Soviet submarine growth, and committed serious mistakes to the advantage of the USSR.

Vietnam

Hersh's comprehensive account of the negotiations to end the Vietnam war constitutes the major part of the book, covering several chapters (10, 39, 40, 41). By 1969 it was clear that the Vietnam war, like a cancer, was spreading in all parts of the American body politic. Both Nixon and Kissinger felt the mounting pressures of the battlefields and the home front and wanted to end the war "with honor." The strategy to be followed was the "madman" theory, according to which Nixon was pictured to all concerned as a "madman" who could unleash hell on Hanoi if it refused to accept his terms. The tactics to be used were contained in a series of studies prepared by Kissinger's National Security Council Staff, and code-named "Duck Hook." They called for increasing bombing raids on North Vietnam and included a nuclear option. Hanoi was warned through messages relayed by a number of intermediaries including the Rumanians and the Pakistanis. To emphasize the seriousness of his warning, Nixon ordered a secret twenty-nine-day nuclear alert at the highest state of readiness—Def Con 1—in October 1969.

In Vietnam, as in other areas in the world, the Nixon-Kissinger diplomacy did not aim at peace, reconciliation, or compromise.

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It was a brutal exercise in the use of military force not for the national interest but for personal interests and power. Nixon carefully read the polls conducted by private pollster Albert Sindlinger who advised him that a preelection peace in Vietnam would cost him the hard-hat vote and therefore the election. Hersh uses previously undisclosed documents to prove conclusively that Nixon had agreed to a settlement in mid-October 1972, only to go back on his acceptance. In the meantime, young Americans continued to die by the thousands in the ricefields of South Vietnam, and untold sufferings were inflicted on Vietnamese in both parts of the country, while Kissinger, the courtier, and his "mad" prince were engaged in a personal struggle for power, its preservation, and enhancement. At no time in their political decisions did they take into consideration the human factor and how their decisions would directly and physically affect the American people, let alone their enemies.

There are a number of revelations in *The Price of Power,* in particular:

— Moraji Desai, a deputy prime minister, a cabinet minister in Indira Gandhi's government, and later prime minister of India, was a paid agent of the CIA ($20,000 a year).

— Nixon ordered the bombing of Palestine Liberation Organization camps inside Jordan, but his order was ignored by Defense Secretary Melvin Laird.

— Kissinger ordered the military to give false reports on the location of bombings in Cambodia. He took liberties with control-and-command procedures of the Strategic Air Command.

— In Operation "Sunshine Park," U.S. officials were actively encouraging Cambodian Prince Sihanouk's overthrow before 1970.

— The Greek military junta contributed cash funds to the Nixon presidential campaign in 1968.

And, if one wishes to know what the Nixon-Kissinger White House looked like and how it functioned like a Byzantine court, with its intrigues, counterintrigues, subintrigues, jealousies, conspiracies, and betrayals, read Chapter 9 (Intrigues) and Chapter 33 (Spying on Kissinger).

The Price of Power is a gold mine of information but contains no analysis. The reader is impressed, indeed overwhelmed, by a mass of detail, but in the end feels frustrated by the dominant fact that these details concern personalities and personal relations, that they are not the products of institutionalized policies. For example, on page 332 Hersh writes: "The full range of Kissin-

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ger's influence and his extraordinary ability to manipulate the press while wiretapping two of its leading members [William Beecher of the *New York Times* and Henry Brandon of the London *Sunday Times*] were impossible to comprehend at the time mainly because so much of what he did was skillfully hidden." Was the press manipulated because of Kissinger's skill at hiding facts or because of the reality that the media, including the mass-circulation press, have transformed information from a social product into a commodity for sale? The press continues to be manipulated after Nixon and Kissinger have lost their power.

On page 638: "As both the memoirs [Nixon's and Kissinger's] showed, neither man ever came to grips with the basic vulnerability of their policy: they were operating in a democracy, guided by a constitution, and among a citizenry who held their leaders to a reasonable standard of morality and integrity."

The question is not whether citizens hold "their leaders to a reasonable standard of morality and integrity" but how they go about doing it—by changing personnel, policies, or institutions?

In the concluding sentence of the book's Epilogue, Hersh observes that "Kissinger is constantly portrayed by the news media as an adviser and consultant on foreign policy issues to the Reagan Administration, but as of Spring 1983, he had not rejoined the government." (p. 642) After the appearance of *The Price of Power,* Kissinger still had not rejoined the government, but he was close to it when President Reagan named him head of a presidential commission on Central America. My critical remarks are not necessarily addressed to Mr. Hersh who has magnificently fulfilled his role as an "investigative reporter-writer." They are simply to remind readers that it is up to them to remedy Hersh's lack of analysis by developing their own, by interpreting the events described, and more important by proposing political tools to the citizens who wish to prevent a repetition of Nixon-Kissinger policies.

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MORTGAGING THE FUTURE

The World Bank and IMF in the Philippines

Edited by Dr. Vivencio R. Jose

This collection of essays about the World Bank-IMF group in the Philippines is a general critique of the spectacular impact that these Western institutions have made on Philippine society. The book's outstanding virtue lies in relating their activities, including the problems created and the burdens imposed on the people, to the larger framework of neo-colonialism.

The book weaves the various patterns that visibly link the past and the present with the nation's future. The thrust focuses on the major trends in order to enable the reader to grasp the whole impact of the WB development strategy on Philippine society.

Dr. Vivencio Jose is co-author of *Aspects of International Intellectual Cooperation* (Tokyo, 1980) and author of *The Rise and Fall of Antonio Luna* (1972). He was the editor of the *Philippine Social Sciences and Humanities Review* (1978-1981).

PERVERSE DEVELOPMENT

By Ernest Feder

Dr. Feder's latest work is an indictment of the development schemes that the agribusiness transnationals and the philanthropic and lending institutions of the West have been foisting on the Third World countries. Launched in the name of the crusade against rural poverty, these development schemes are turning out to be mere instruments of the TNCs in the commercial exploitation of Third World agriculture, resulting in the further aggravation of hunger and unemployment in developing countries.

Supported by a mountain of well-documented data and using as a pivot the Philippine experience, the book bares the hypocrisy of these "anti-poverty" schemes under the aegis of the agribusiness TNCs, World Bank, Asian Development Bank, IRRI and other Western institutions.

Dr. Feder, is the author of *The Rape of the Peasantry, Strawberry Imperialism, Erdbeer Imperialismus,* and *Gewalt und Ausbeutung.*

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RURAL POVERTY

By Cheryl Payer

Perverse Development, by Ernest Feder. Foundation for Nationalist Studies, Quezon City, Philippines, 1983. 352 pp., $10.00 paperback.

Perverse Development is a scathing polemic against capitalist-style development of third world agriculture. Although it is focused primarily on the Philippines, where it was published, it draws heavily upon the author's long professional experience and residence in Mexico and uses examples when appropriate from the rest of Latin America and Asia. Its value is by no means limited to one country; in fact, it is a virtual encyclopedia of radical research findings on the damages inflicted by international agribusiness and lending agencies on the small agriculturalists of the third world.

The first part of the book examines the Green Revolution in Asia. It begins with a dissection of the anticommunist project behind the Rockefeller Foundation's support of Norman Borlaug's research at the International Maize and Wheat Improvement Center (CIMMYT) in Mexico and the subsequent work of the International Rice Research Institute of Los Baños in the Philippines. Subsequent chapters summarize the findings of the Asia volumes of the monumental Green Revolution project of the United Nations Research Institute for Social Development as well as the research of specialists such as Richard Franke in Java and Rodolphe de Koninck in Malaysia and Sumatra.

The second part of the book contains two chapters, one on the (very limited) program of land reform in the Philippines, and the second on agricultural credit "against the peasants." This chapter is my own favorite in the book, both because critical analysis of small-farmer credit programs is still relatively rare in the literature and because Feder makes several striking observations here. He brilliantly dissects the different reception accorded to rich farmers

Cheryl Payer, a frequent contributor to MONTHLY REVIEW, is the author of MR Press books *The Debt Trap* and, most recently, *The World Bank*.

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and to poor peasants when they approach a bank for operating credit as well as the different significance of institutional credit for large farmers (diversion to other investments and speculation) and small ones (consumption to keep the family alive until the next harvest). One example of his insight:

> The lenders argue that lending to peasants is both more costly and more risky, implying that peasants are likely to default on their loans. Hence the various poor schemes "require" a large supervisory staff which increases the administrative cost of lending. Worldwide experience shows that small borrowers repay their loans as punctually as large borrowers, if not more so. It is not that small cultivators' loan schemes are more costly. Higher administrative costs are incurred and created by the modern capitalist system worldwide to insure the peasants' dependency. *They are costs manufactured by the system for political reasons to keep peasants subservient.* (p. 141, emphasis in original)

Other sparkling observations follow. If official institutional credit is cheaper than that supplied by the official moneylender, this is not due to philanthropy: "Lowering rates was an absolute necessity in the wake of the capitalist (Green Revolution)-induced rise in cash costs of farming. Producers cannot afford both usurious interest rates and costly inputs, and survive." (p. 142) And Feder suggests that schemes to prevent peasant default by binding them into groups mutually responsible for the loans of each member have backfired on the lenders:

> From the peasants' point of view, the group system, whose unique advantage lies with the lenders, it is a devilish invention as it increases their risks in direct proportion to the number of members. If another member defaults, the present borrower becomes ineligible for another loan. . . . *Rather than cause solidarity for repayment, group credit generates solidarity for defaulting.* (p. 147)

Remaining sections of the book deal with agribusiness, its strategies and its deleterious social effects on workers and contracting smallholders, and with the support given to agribusiness by international and national credit agencies. The final chapter, "On Rural Poverty and Unemployment," proposes that "poverty and hunger are functionally and uniquely related to employment, i.e., unemployment. They are one single problem. . . . But the establishment treats poverty, hunger and related phenomena on one side, and employment on the other as practically distinct issues," a distinction which is evidence of "a much more deep-seated unwillingness or inability of the agencies representing and fostering the expansion of monopoly capital worldwide to analyze adequately the functioning and performance of the capitalist system."

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(*Continued from inside front cover*)
dangerous situation that existed during most of the second half of the year. Apart from emergency contributions, the most important factor has been a reduction in the size of our staff and hence in cash overflow. Income from subscriptions and book sales has not changed much. So we still need all the help we can get just to be sure of being able to keep going. If you are planning to make a contribution or join the Associates, please don't put it off and make it as generous as possible.

Every once in a while we get a letter from a reader which is so heartwarming that we can't resist sharing it with all of you. The following, undated, letter was obviously not intended for publication, so we omit the name of the sender, while taking advantage of the occasion to thank him for his kindness should he chance to read these notes:

"I'm sorry to hear about the fire. From personal experience, I know that you never forget the charred smell after a fire.

"Some years ago, I worked on an undergraduate newspaper whose building was destroyed by a fire of suspicious origin. There was an immediate outpouring of support from people and organizations we had no idea we were reaching, let alone that they would have a sense of loyalty to us. My conclusion was that the only true insurance was to serve the people, and they will stand with you in times of disaster.

"Certainly by virtue of your work through the years; your standing up to the government to keep the academic forum open to Marxist economics; your publication of the books from which we learned about basic Marxism, labor history, world revolution, life in socialist countries, and advanced theory; your solidarity with other movements, you deserve the respect, support, and love of all of us on the left. Keep faith and keep working, because we need each other now more than ever." We thank our correspondent and would like to pass the same message along to all our readers. May 1984 be a year of peace and hope.

Errata: On p. 16, line 14 of William Hinton's "A Trip to Fenyang County," "Increment of human labor expanded" should read "increment of human labor expended." And in the same article, p. 17, line 10 from the bottom, "try to rush beyond" should read "try to push beyond."

A truly remarkable operation called Witness for Peace has been underway since November in Nicaragua near the Honduran border. Organized by U.S. Christians (Catholics as well as representatives of most Protestant denominations), its purpose as described in a press release of November 17th, is to send "many teams of U.S. Christians to Nicaragua to begin a continuous nonviolent and prayerful presence at the Honduran border. The Witness for Peace is an effort to establish a human shield to protect the people of Nicaragua from the violence of the U.S.-backed counterrevolutionary forces. The project is a conscious attempt by U.S. Christians to thwart the covert war being waged by the U.S. government against the people of Nicaragua." A member of the first contingent to go was our good friend Russ Christensen who was brought up a Methodist and is now also a Marxist. In our next issue we hope to have a report by Russ on the Witness for Peace, including his reflections on the significance of Nicaragua and the Nicaraguan revolution for Christian-Marxist cooperation.

It is not too late to get in on MR's 1984 Study Tour to Greece, April 15-30. The aim of the tour is to see and learn about contemporary as well as classical Greece. With the cooperation of the editors of the Greek-language edition of MR and friends in the Ministry of Information, tour members will be able to meet and talk with representatives of government agencies, popular organizations, and PASOK, the governing political party. For further information contact Harold Posner at MR (212-691-2555).

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